



# Newsletter

No. 05-26



May 20, 2026



## Credit Union Department

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The Credit Union Department (CUD) is the state agency that regulates and supervises credit unions chartered by the State of Texas. The Department is professionally accredited by the National Association of State Credit Union Supervisors (NASCUS) certifying that CUD maintains the highest standards and practices in state credit union supervision.

Our **Mission** is to safeguard the public interest, protect the interests of credit union members and promote public confidence in credit unions.

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## Credit Union Commission

The Commission is the policy making body for CUD. The Commission is a board of private citizens appointed by and responsible to the Governor of Texas.

### Members:

Jim Minge, Chair  
Becky L. Ames  
David Bleazard  
Karyn C. Brownlee  
Cody R. Huggins  
Sara J. Oates  
David F. Shurtz  
Vacant

## Next Commission Meeting

Friday, August 7, 2026, beginning at 9:00 a.m. in the offices of CUD.

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## Rulemaking Review

The Texas Credit Union Commission (Commission) will review and consider for re-adoption, revision, or repeal, **Chapter 91, Subchapter E, concerning Direction of Affairs**, consisting of §§91.501, (Director Eligibility and Disqualification), 91.502 (Director/Committee Member Fees, Insurance, Reimbursable Expenses, and Other Authorized Expenditures), 91.503 (Change in Credit Union President), 91.510 (Bond and Insurance Requirements), 91.515 (Financial Reporting), and 91.516 (Audits and Verifications).

The Commission will review and consider for re-adoption, revision, or repeal, **Chapter 91, Subchapter F, concerning accounts and services**, consisting of §§91.601 (Share and Deposit Accounts), 91.602 (Solicitation and Acceptance of Brokered Deposits), 91.608 (Confidentiality of Member Records), and 91.610 (Safe Deposit Box Facilities).

This review will be conducted pursuant to Texas Government Code, §2001.039. The commission believes that the reasons for adopting the rules contained in these chapters continue to exist. The commission will accept written comments received on or before 5:00 p.m. central time on the 31st day after the date this notice is published in the *Texas Register* as to whether the reasons for adopting these rules continue to exist. The commission also invites comments on how to make these rules easier to understand. For example:

- Does the rule organize the material to suit your needs? If not, how could the material be better organized?
- Does the rule clearly state the requirements? If not, how could the rule be more clearly stated?
- Does the rule contain technical language or jargon that is not clear? If so, what language requires clarification?

## **Rulemaking Review (Continued)**

- Would a different format (grouping and order of sections, use of headings, paragraphing) make the rule easier to understand? If so, what changes to the format would make the rule easier to understand?
- Would more (but shorter) sections be better in any of the rules? If so, what sections should be changed?

Each rule will also be reviewed to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current procedures of the Credit Union Department.

Any questions or written comments pertaining to this notice should be directed to the Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699, or by email to [cudmail@tud.texas.gov](mailto:cudmail@tud.texas.gov). Any proposed amendments as a result of the review will be published in the *Texas Register* in compliance with Texas Government Code, Chapter 2001, and will be open for an additional 31-day public comment period prior to final adoption or repeal by the commission.

## **2026 Annual Credit Union Survey**

I would like to thank each of you that participated in the 2026 Annual Survey. The feedback we received from credit unions is valuable, and the Department is committed to continually enhancing its examination and regulatory oversight whenever possible. We are pleased by the positive comments we received and continue to strive to be an effective and efficient regulator.

We appreciate all the views expressed and would like to encourage you to provide additional comments or suggestions throughout the year. The agency relies on your feedback to identify concerns. Your thoughtful comments contribute to the success of our agency.

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## **“One-Time” Bonus Annuities**

### **Supervisory Concern**

Recent examinations have identified occurrences in which some credit unions sell underwater bond portfolios at a realized loss and immediately use the sale proceeds to purchase fixed or fixed-indexed annuities that advertise large “one-time” premium bonuses.

The intent is to recognize the full bonus amount on day one to offset the investment loss in current-period earnings. This practice is inconsistent with generally accepted accounting principles (GAAP). A credit union may only recognize income as the bonus becomes realizable through increases in the annuity’s cash surrender value. Booking the full bonus upfront overstates the asset and results in misstated earnings and net worth.

## **“One-Time” Bonus Annuities (Continued)**

Credit unions currently holding such annuities are encouraged to review their accounting treatment with their external auditor.

### **Permissible Use**

Under NCUA Part 703, annuities are not authorized investments for federal credit unions except in very limited circumstances. Any annuity position must be directly tied to actual employee benefit obligations and may be held only for as long as that obligation exists. Texas-chartered credit unions may exercise the same limited power pursuant to Finance Code §123.003, but they remain subject to the same restrictions.

### **Risk Management**

Even when an annuity is permissible, credit unions must establish clear policies and concentration limits, conduct thorough due diligence prior to purchase, perform ongoing risk and compliance reviews, and maintain strong board oversight.

If your credit union currently holds annuities, we strongly encourage you to review your practices to ensure alignment with regulatory expectations (resources listed below). Please contact your examiner or the Department with any questions.

### **Resources:**

- 12 C.F.R. §701.19
- CUD Regulatory Bulletin RB 2013-01
- Interagency Statement on the Purchase and Risk Management of Life Insurance



## **Publication Deadlines**

To meet the submission deadlines for the applicable issues of the *Texas Register*, it is necessary for the Department to establish the schedule shown below. Completed applications received after the deadline for the month cannot be published until the following month.

| <b><u>Publication Date</u></b> | <b><u>Application Deadline</u></b> |
|--------------------------------|------------------------------------|
| June 2026                      | Friday, June 12                    |
| July 2026                      | Friday, July 10                    |



## ***Applications Approved***

Applications approved since April 15, 2026.

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### Credit Union

### Changes or Groups Added

#### **Merger or Consolidation - Approved**

America's CU (Garland) and Everman Parkway CU (Fort Worth)  
My CU (Haslet) and Peco FCU (Mineral Wells)  
Texans CU (Richardson) and Las Colinas FCU (Richardson)

[See Newsletter 10-25](#)  
[See Newsletter 11-25](#)  
[See Newsletter 11-25](#)

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## ***Applications Received***

The following application was received and will be published on May 29, 2026, issue of the *Texas Register*.

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#### **Field of Membership**

**Education CU (Amarillo)** – Members of Cornerstone Credit Union Foundation in Texas, to be eligible for membership in the credit union.

#### **Merger or Consolidation**

An application was received from **My Credit Union** (Haslet), seeking approval to merge with **Texas Trust Credit Union** (Mansfield), with the latter being the surviving credit union.

#### **Articles of Incorporation**

An application was received from **Galveston Government Employees Credit Union** (La Marque) to amend its Articles of Incorporation relating to a change in place of business.

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## ***Upcoming Holiday Schedule for CUD***

The Department's Office will be closed on **May 25, 2026**, in observance of Memorial Day.

*This newsletter is produced monthly as a part of the Department's continued communication outreach with the credit unions it regulates. Delivery is generally provided by electronic notification of its availability on the Department's website.*

*Suggestions and comments concerning the newsletter, or its content are welcomed.*

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To learn more about CUD click <http://www.cud.texas.gov> or contact us at 914 E. Anderson Lane, Austin, TX 78752

